

Utah State Tax Commission

Commission

Pam Hendrickson, *Commission Chair*
Marc B. Johnson, *Commissioner*

R. Bruce Johnson, *Commissioner*
D'Arcy Dixon Pignanelli, *Commissioner*

Administration and Operations

Rodney G. Marrelli, *Executive Director*

Mission Statement

Collect revenue for the state and local governments and equitably administer tax and assigned motor vehicle laws.

Overview

The Tax Commission collects and distributes almost \$6.5 billion in state and local revenues. The primary Tax Commission responsibilities include:

- Process revenue, returns, and updating taxpayer information
- Audit tax returns and other information for accuracy and compliance
- Collect delinquent taxes
- Assist taxpayers with compliance and resolve account issues
- Oversee local property tax assessments and administer centrally assessed valuations
- Register motor vehicles and motor carriers
- Enforce motor vehicle laws, including vehicle fraud, stolen vehicles, and regulations of automobile industry

For more information about the Tax Commission and the Office of the Commission visit our web-site at: www.tax.utah.gov

#1 Timely Service

A. Revenue Deposits

Importance: The timely collection and deposit of revenues in state accounts is critical for state investment purposes and to provide funds for government services.

Action: State guidelines require all deposits of funds within 72 hours of receipt. Our goal is to deposit funds within 24 hours receipt, and within 72 hours during peak return deadlines.

B. Income Tax Refunds

Importance: The public expects and relies on timely income tax refunds. Technological advancements and employee training have reduced the time taxpayers wait to receive state income tax refunds. (When taxpayers receive a tax refund, they usually invest or spend their refunds on goods and services which stimulates the local economy.)

Action: Timeliness of refunds generally depends on how early the taxpayer files the return. Income tax refunds are targeted to be processed within 15 days of receipt, which occurs at least 90 percent of the time. Exceptions occur when there is an error or unusual item. Those returns are then marked for review.

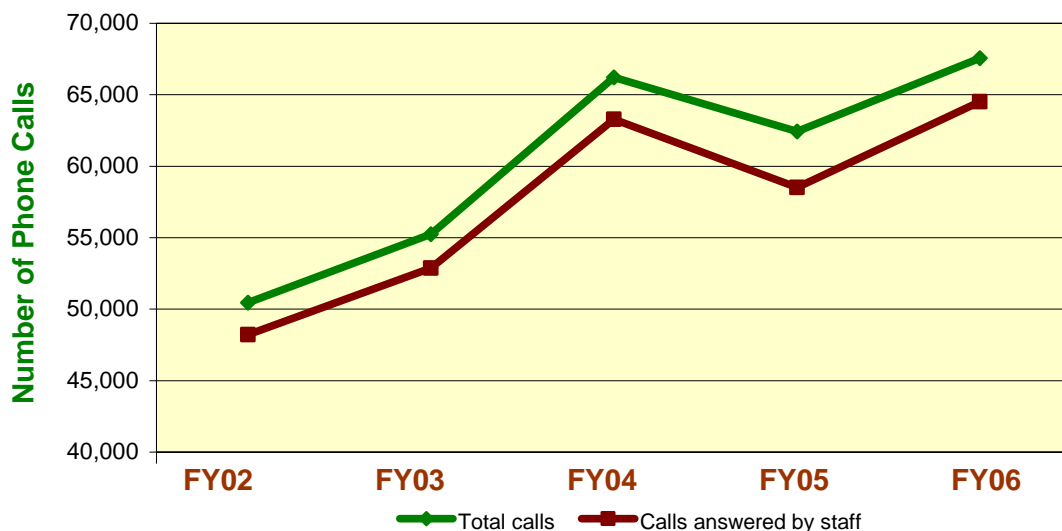
C. Citizen Telephone Assistance

Importance: Since citizens are required to file tax returns and register their vehicles, we need to provide timely and quality responses to all telephone inquiries in order to assist them in completing their transactions.

Action: The Taxpayer Services and Motor Vehicles divisions continue to make improvements in assisting the number of citizens who contact the Tax Commission by telephone. When a customer discontinues a phone inquiry before contacting an employee, it is classified as an abandoned call. Both the number and the percentage of these types of phone calls have been reduced in recent years.

The Taxpayer Services Division is at the center of addressing and solving specific taxpayer questions. Employees provide customer service and maintain front-line contact with the public on tax issues. This division also collects delinquent taxes and encourages future compliance with tax laws.

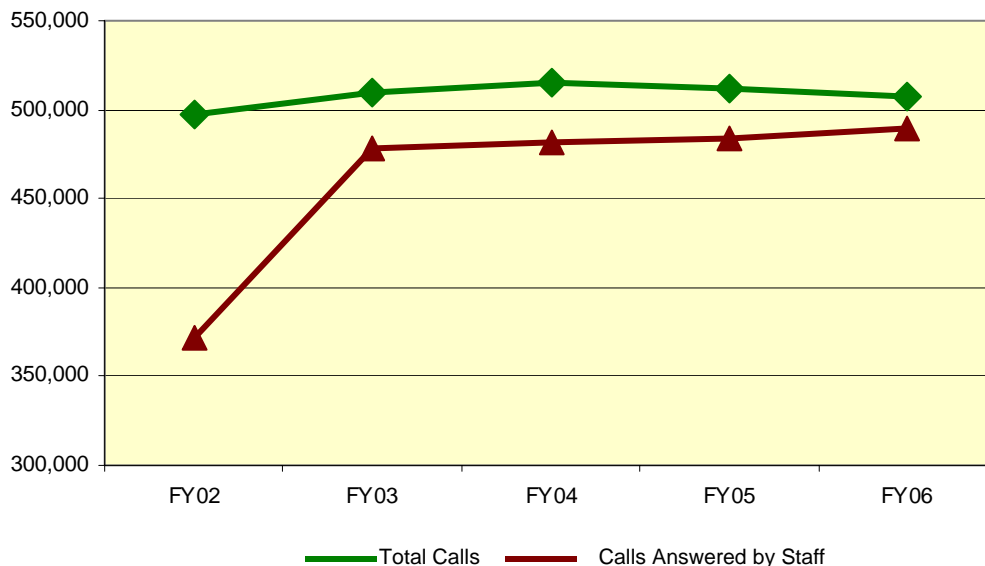
Taxpayer Services Telephone Assistance



This chart shows consistency during the past several years in the percentage of customers who contact Taxpayer Services by telephone and communicated directly with employees.

The Motor Vehicle Division answers all vehicle related questions from citizens. The following chart show the progress made in timely responses to those calls.

DMV Telephone Assistance



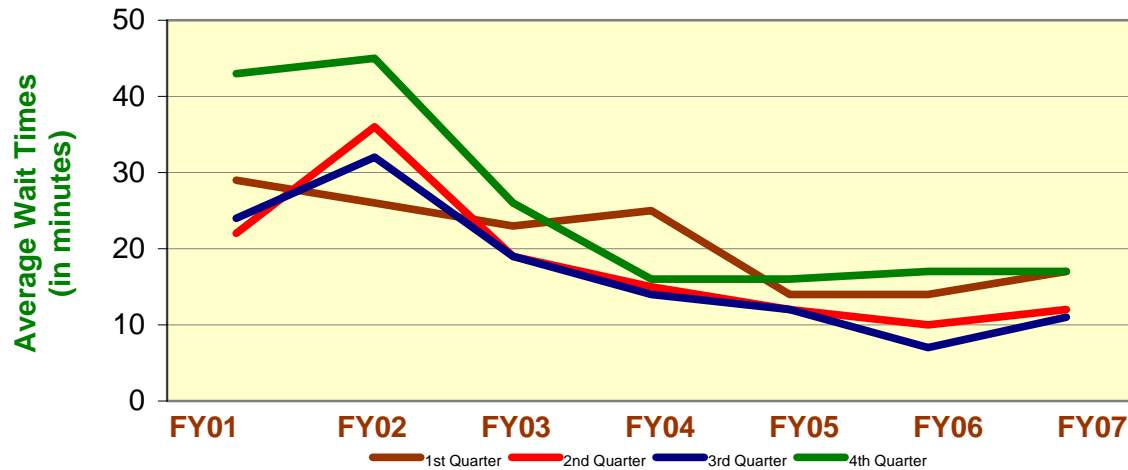
This chart shows steady improvements during recent years in the percentage of customers who telephoned DMV offices and communicated directly with employees.

D. Wait Times

Importance: Citizens visiting the Motor Vehicle office expect efficient service in the least amount of time. This chart shows the average wait times for large state operated motor vehicle offices. These include all Wasatch Front offices and the St. George office. Wait times vary significantly from office to office depending on the day of the week, day of the month, and time of day. Due to these considerations, the Division of Motor Vehicle's focus continues to be on wait time *trends* rather than specific daily wait times.

Action: The Division of Motor Vehicle's goal is to keep average wait times shorter than 20 minutes. To reach this goal, the division utilizes seasonal employees to meet customer service demands during peak periods. Monthly wait times recorded by office Q-Matic systems are used to calculate the average quarterly wait times indicated below.

Division of Motor Vehicles Wait Times



This chart shows the average wait times by quarter in the Wasatch Front and St. George DMV offices for the past seven years.

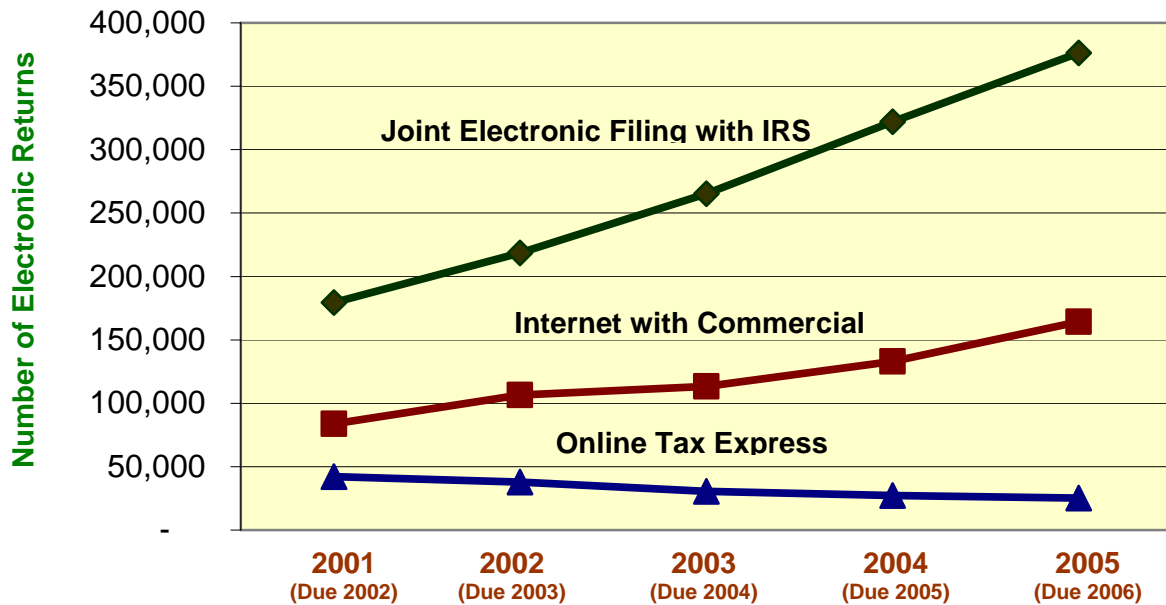
#2 Electronic Filing and Payment Options

A. Income Tax Returns

Importance: The Tax Commission continues to use technological advancements and alternative methods of filing income tax returns to keep pace with a growing population and economy. Over one million income tax returns are filed annually and we continue to encourage the use of electronic filing. Utahns have three electronic filing options available: 1) commercial software packages; 2) Joint electronic filing (JELF) with the IRS; and 3) TaxExpress, the state's online option. Electronic filing is more accurate, faster, more secure, and saves taxpayers' dollars.

Action: As we continue to promote the use of electronic filing options, the number of traditional paper returns filed decreases. We expect the popularity of these options will continue to increase which allows the Tax Commission to improve service without hiring additional staff.

Electronic Filing of Income Tax Returns



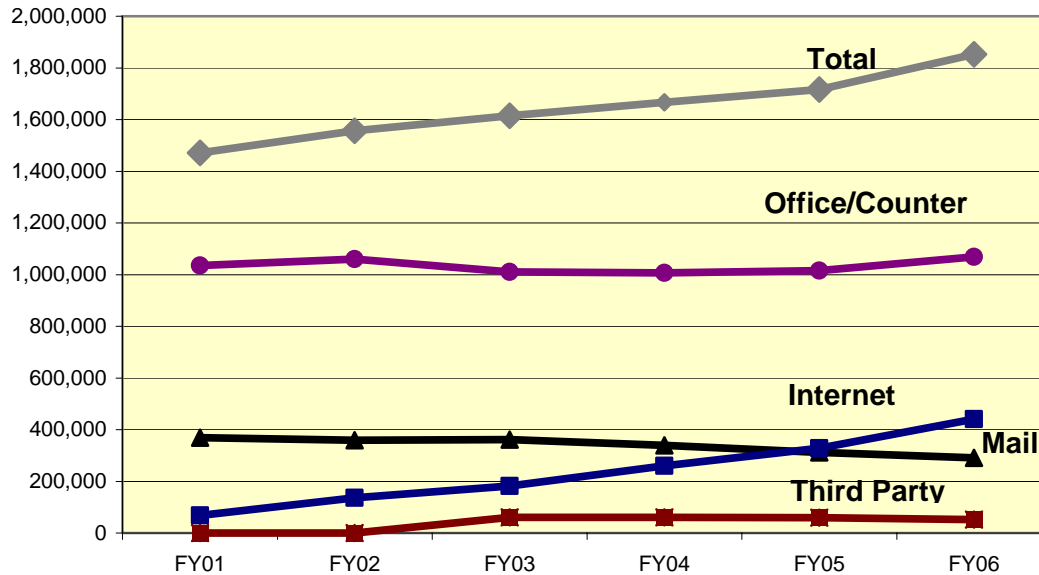
This chart shows the popularity of electronic filing options for income tax returns continues to grow. The number of traditional paper return filings has dropped from 661,040 in 2001 to 230,627 in 2005.

B. Motor Vehicle Transactions

Importance: All motor vehicles, off-highway vehicles and boats operating in Utah must be licensed and registered by the Division of Motor Vehicles (DMV). Some transactions, such as when a new title is required on a new vehicle, must be completed in a DMV office since documentation is required. However, many transactions including most renewals can be completed electronically or by contracted third parties. Third parties include authorized commercial dealers, inspection stations and others that can complete DMV transactions.

Action: We encourage citizens to complete renewal transactions through the Internet, mail, and authorized inspection stations. As the number of citizens complete transactions through these options, the current staff is able to meet the demands of growing population without hiring additional people or increasing office space.

DMV Renewals by Function



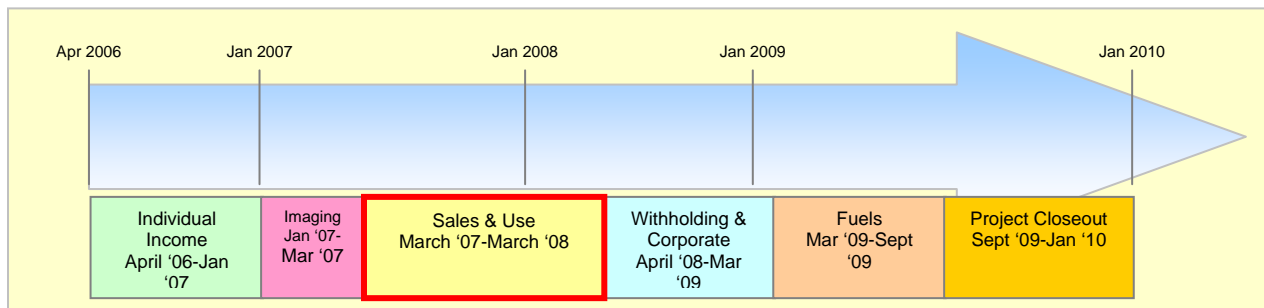
This chart shows that the number of DMV transactions conducted by the Internet and third party continues to grow while mail and office transactions remain about the same. Third party transactions include those conducted by commercial contractors or other agencies outside of DMV offices.

#3 Quality Systems and Business Processes

Importance: Tax and motor vehicle administration processes rely heavily on automated computer systems to accurately record and retain citizen information on millions of transactions annually. These systems are used extensively to ensure that citizens pay their fair share of financing the cost of state and local governments. Tax systems provide information for audits and identifying delinquent account balances. Tax evaders are more easily identified using new technologies.

Action: The Tax Commission is in the second year of a multi-year project to upgrade the tax computer system. The project will integrate systems that will enhance tax compliance, improve customer service, and provide flexibility for changes in the state's tax system. New systems will facilitate additional electronic filing options. A new individual income tax system was implemented in January 2007 for the 2006 returns and we are in the process of developing a new sales tax system to be implemented March 2008.

This tax modernization project is a joint effort of the Tax Commission and the State Department of Technology Services to replace aged computer tax systems. It will replace five core tax systems. The results will serve as a foundation for the future and provide continued improved customer and tax administration service at the Utah State Tax Commission.



Utah State Tax Commissioners And Office Of The Commission

USTC
Office Of
The Commission

Commissioners
Pam Hendrickson, Chair
R. Bruce Johnson
Marc B. Johnson
D'Arcy Dixon Pignanelli

As required by the Utah State Constitution, the Governor, with concurrence from the Utah State Senate, appoints [four state tax commissioners](#). The primary role of the Commissioners is to hear and rule on tax appeals, administer and supervise the State's tax laws, and promulgate rules to administer those tax laws.

The mission statement of the Office of the Commission is: "Provide timely hearings and rulings on **tax appeals**, provide timely and accurate tax information, and improve tax processes through consistent administrative oversight."

The Commission's priority is providing timely hearings and rulings on tax appeals. The Commission has set a performance target of [90 days](#) from the receipt of an appeal to an initial event and [75 days](#) from an initial to the issuance of a decision on initial hearings.

Vital to timely and accurate tax information is the posting of [proposed and adopted administrative rules](#). These rules provide for taxpayers in writing how a tax law will be interpreted, administered, and applied by the Commission. Proposed rule changes are posted on the Tax Commission website and sent to media outlets throughout the state at least ten days prior to a commission rule meeting and adopted rules are posted no later than 10 days after being approved. Public comment is accepted until a rule is adopted.

The Office of the Commission is comprised of the four Commissioners and administrative law judges who also hear appeals; economists who provide [economic and statistical information](#) and forecast state revenue; internal auditors who critique administrative procedures and make recommendations for improvement; the appeals staff who handle all support functions of appeals; and a public information officer who coordinates media and community relations and compiles the [annual report](#).

The Commissioners, in consultation with the Governor, hire an executive director to oversee the [administrative functions](#) of tax compliance including property tax, motor vehicle, auditing, taxpayer services, processing, and assigned motor vehicle enforcement laws. The division of these functions serves to keep the [appeals process](#) separate from the administrative functions. The Office of the Commission analyzes the performance measures of the Executive Director and the divisions on a monthly basis. In addition, the Commission utilizes internal audits to identify weaknesses in high-risk areas. Items requiring improvement or corrective procedures are discussed with the Executive Director and a timeline set for further review.